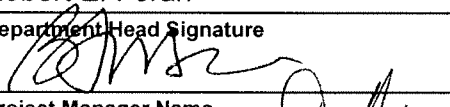
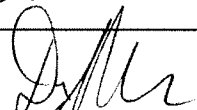
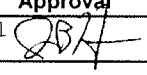



Staff Summary

Subject Cross Bay Bridge Toll Rebate Program
Department Chief Financial Officer
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager Name Douglas Johnson 

Date March 28, 2012
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Board	3/28/12	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal 	2	Chief of Staff 

Purpose

To authorize the Chairman and other appropriate officers of the MTA and TBTA to take such actions as may be necessary to modify an existing rebate program, limited to E-ZPass customers who are residents of Broad Channel and the Rockaway Peninsula. The program would be modified to extend rebate coverage to the first two tolls incurred on the Cross Bay Veterans Memorial Bridge ("Cross Bay Bridge"), subject to the Legislature's anticipated enactment of a Budget that appropriates to the MTA sufficient funds for this purpose.

Discussion

Pursuant to the authorization of the Board, the MTA began in January 1998 to use MTA funds to implement the Rockaway Resident Toll Rebate Program ("Rebate Program") for the benefit of E-ZPass customers who are residents of Broad Channel and the Rockaway Peninsula and who use the Cross Bay Veterans Memorial Bridge. Eligible participants in the Rebate Program using E-ZPass paid the resident discount toll for each crossing on the Cross Bay Bridge and then received an immediate rebate from the MTA for the amount paid.

The Rockaway Resident Toll Rebate Program was later modified by the Board so that, effective July 23, 2010, eligible participants were charged the resident discount toll for the first two trips made across the Cross Bay Bridge within a calendar day (using the same E-ZPass tag) and only subsequent trips were eligible for the rebate.

Legislation included in the 2012 Executive Budget expressly provides for the State to pay to the MTA the costs associated with restoration of the Rockaway Resident Toll Rebate Program to its prior level and it is expected that the Budget to be adopted by the Legislature will appropriate to the MTA sufficient funds to restore the rebate for tolls incurred on the first two trips made across the Cross Bay Bridge within a calendar day (using the same E-ZPass tag) by eligible participants in the Rebate Program.

Residents of Broad Channel and the Rockaway Peninsula are uniquely disadvantaged by the MTA district's transportation network charges in that they alone must pay a toll to travel intra-borough to drive to and from their residences and to and from the principal part of the borough in which they reside. In the past, the Legislature has recognized this class of citizens in legislation designed to reduce the toll rate which accrues to

these residents for crossings over the Cross Bay Bridge. Using funds that will be appropriated by the Legislature to restore the Rockaway Resident Toll Rebate Program to its prior level will address the circumstances of these uniquely-situated residents in a manner wholly consistent with the MTA's mandate of providing a seamless transportation network for the region and the MTA's statutory purposes to develop and implement a unified transportation policy for the MTA transportation district. Moreover, the effective elimination of that intra-borough toll for those residents of Broad Channel and the Rockaway Peninsula who need to drive for employment and other purposes could increase the use of other TBTA facilities, as well as the use of the E-ZPass system, and facilitate travel to points beyond.

Financial Implications

None. The Rockaway Resident Toll Rebate Program will not be restored to its prior level for use of the Cross Bay Veterans Memorial Bridge unless the Legislature adopts a Budget appropriating sufficient funds to the MTA for this purpose. As provided in the accompanying resolution, the Rockaway Resident Toll Rebate Program will be restored to its prior level of coverage only for such periods of operation in which sufficient funds have been provided to MTA to fund the expense of doing so. In the event that the funds allocated by the Legislature for this purpose are depleted before the next such allocation of funds, the first two trips across the Cross Bay Bridge within a calendar day (using the same E-ZPass tag) by residents of Broad Channel and the Rockaway Peninsula will cease to be subject to the rebate and the customer will be charged the applicable resident discount toll for the Cross Bay Bridge.

Recommendation

It is recommended that the Board adopt the attached resolution providing for the restoration of the rebate program following the Legislature's appropriation of funds to the MTA sufficient for this purpose, such program to be implemented as soon as practicable, in accordance with the requirements of the law.

RESOLUTION

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, the Metropolitan Transportation Authority (the "MTA") finds, determines, and declares as follows:

- (i) that the Budget to be adopted by the Legislature is expected to appropriate to the MTA funds sufficient to restore the Rockaway Resident Toll Rebate Program to its prior level;
- (ii) that the use of funds appropriated by the Legislature to restore the Rockaway Resident Toll Rebate Program to its prior level is wholly consistent with the MTA's mandate of providing a seamless transportation network for the region and the MTA's statutory purposes to develop and implement a unified transportation policy for the MTA transportation district;
- (iii) that the rebate of tolls charged to residents of Broad Channel and the Rockaway Peninsula on the first two trips made across the Cross Bay Veterans Memorial Bridge ("Cross Bay Bridge") within a calendar day (using the same E-ZPass tag), in a manner that would not adversely affect the rights of Triborough Bridge and Tunnel Authority ("TBTA") bondholders, would eliminate the unique disadvantage, and the appearance thereof, with respect to such residents commuting from/to their residences to/from the principal part of the borough or county in which they reside, thereby furthering the public interest in a unified and efficient mass transportation policy in the MTA district;
- (iv) that the effective removal of such tolls, without adversely affecting the rights of TBTA bondholders would encourage those residents to enroll in the E-ZPass system and might encourage those residents of Broad Channel and the Rockaway Peninsula who need to drive for employment and other purposes to also use *other* TBTA facilities, thereby promoting increased and more effective use of the facilities, services, and systems of the TBTA, and could facilitate travel to points beyond; and
- (v) that, therefore, a program for rebating such tolls charged to such residents should be implemented as part of a unified mass transportation policy for the MTA district following the appropriation by the Legislature to the MTA of sufficient funds for this purpose; and

WHEREAS, MTA further finds, determines, and declares that the funds to be used to finance restoring the rebate of tolls charged to such residents to the Program's prior level, and costs associated therewith, shall be derived from the funds appropriated in the Budget to be adopted by the Legislature and in any subsequent Budgets; and

WHEREAS, MTA further finds, determines and declares that providing this rebate is contingent upon having sufficient funds to do so and should the funds allocated by the Legislature be depleted before the next appropriation of such funds, the first two trips across the Cross Bay Bridge within a calendar day (using the same E-ZPass tag) will cease to be subject to the rebate and the customer will be charged the applicable resident discount toll for the Cross Bay Bridge; and

WHEREAS, MTA further finds, determines and declares that, in order to preserve and protect the financial condition of the MTA itself and of the TBTA, no toll rebate program shall include aggregate annual rebates that are projected by the MTA to exceed the average five-year historical monthly variation of TBTA revenues derived from all facilities of the TBTA;

NOW, THEREFORE, BE IT RESOLVED, that , upon the adoption by the Legislature of a Budget appropriating sufficient funds to the MTA for restoration of the Rockaway Resident Toll Rebate Program to its prior level, the appropriate officers of the MTA and the TBTA are hereby authorized and directed (i) to take all actions necessary, convenient, or desirable, including compliance with the State Environmental Quality Review Act, to implement a program, substantially as described on Exhibit B for rebating tolls charged for the first two trips across the Cross Bay Veterans Memorial Bridge in a calendar day (using the same E-ZPass) to residents of Broad Channel and the Rockaway Peninsula in the Borough of Queens in the City of New York in accordance with the foregoing findings, determinations, and declarations and (ii) to assure that the rights and interests of TBTA bondholders are not adversely affected thereby. Such officers are further authorized to make such changes, alterations, modifications, and revisions to the procedures for implementing the toll-rebate program as are not inconsistent with the foregoing findings, determinations, and declarations of the MTA.

Dated: March 28, 2012

Exhibit B

Proposed Operating Elements of the Restoration of the Cross Bay Bridge Resident Rebate Program to its Prior Level

1. Funding for the costs to rebate tolls incurred by participating residents of Broad Channel and the Rockaways for the first two trips across the Cross Bay Veterans Memorial Bridge within a calendar day (using the same E-ZPass tag) ("Restored Rebate Program") would come from funds appropriated to the MTA by the Legislature and remitted to TBTA.
2. Moneys to fund a year's estimated costs for the Restored Rebate Program would be transferred by MTAHQ to TBTA upon receipt of the legislated funds. The first Restored Rebate Program year would commence when the Restored Rebate Program goes into effect. Each successive Restored Rebate Program year would start 12 months later provided that the Legislature has adopted a Budget appropriating to the MTA funds sufficient for the costs to rebate tolls incurred by participating residents of Broad Channel and the Rockaways for the first two trips across the Cross Bay Bridge in a calendar day (using the same E-ZPass tag).
3. At the beginning of the Restored Rebate Program year, TBTA would increase its Rebate Program liability by the amount transferred from MTAHQ. The E-ZPass Customer Service Center would credit Resident E-ZPass accounts in an amount equal to the debit for the Cross Bay resident toll for trips across the Bridge in a calendar day (using the same E-ZPass tag). At least monthly, TBTA would draw down on the Rebate Program liability based on the total number of such trips charged against Resident E-ZPass accounts. The drawn down amount would be added to TBTA toll revenues. (The TBTA's responsibility to do so would be capped at the amount in the Restored Rebate Program fund.) MTAHQ would use funds appropriated by the Legislature to reimburse TBTA for the cost of any charges levied by the service center provider in connection with this rebate credit program.
4. If, in the judgment of TBTA during the course of a Restored Rebate Program year, funds in the Restored Rebate Program account were likely to be less than the amount of a year's potential rebates, TBTA could request supplemental funds of MTAHQ, but the provision of such funds would be subject to regular MTAHQ budget procedures, including Board approval when required. In the event that funds are not on deposit in the Restored Rebate Program account at the time and in the amount necessary to effectuate the credit, participants in the Restored Rebate Program would be charged the resident discount toll rate for their first two trips across the Cross Bay Bridge in a calendar day (using the same E-ZPass tag).